

2010 -- H 7592

LC00952

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO INSURANCE -- SMALL EMPLOYER HEALTH INSURANCE
AVAILABILITY ACT

Introduced By: Representatives Serpa, Walsh, Ruggiero, Martin, and Gablinske

Date Introduced: February 24, 2010

Referred To: House Small Business

It is enacted by the General Assembly as follows:

1 SECTION 1. Purpose. Small employers participating in small group health insurance
2 programs are assessed broker fees which are not incorporated into their premium calculations.
3 Such broker fees are assessed whether or not a broker is actually used and in many instances
4 small employers are not aware that they are paying broker fees, are not using a broker, and/or do
5 not have the ability to "opt-out" of paying the broker fee that has been incorporated into the
6 premium. The purpose of this section is to provide a greater amount of disclosure and
7 transparency regarding broker fees paid in connection with small employer group plans. For
8 purposes of this section, the term "broker" shall be as defined in subsection 27-2.4-1(b).

9 SECTION 2. Chapter 27-50 of the General Laws entitled "Small Employer Health
10 Insurance Availability Act" is hereby amended by adding thereto the following section:

11 **27-50-18. Disclosure of broker fees. – (a) Each annual premium notice delivered or**
12 **issued to a small employer shall contain provisions disclosing information with respect to broker**
13 **premiums. The provisions shall be displayed prominently in bold font and shall contain the**
14 **following:**

15 **(1) The actual monthly broker fee attributable to each member of the small employer**
16 **which shall be listed separately from all other premium information listed in the renewal notice.**

17 **(2) Information regarding the broker of record including without limitation the broker's**
18 **name, address, telephone and facsimile number, email and website address. In the event that no**

1 broker of record is listed, the small employer shall be provided instructions on how the small
2 employer may contact the health insurance provider or any applicable health insurance broker
3 organization to obtain information with respect to contacting the health insurance provider
4 directly or through a broker.

5 (3) A provision stating that in the event that a small employer wants to assign a particular
6 broker of record with respect to its health insurance plan, that in such event no waiting period
7 shall be imposed by the health insurance provider in connection therewith.

8 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE -- SMALL EMPLOYER HEALTH INSURANCE
AVAILABILITY ACT

- 1 This act would require certain disclosures regarding broker fees assessed with respect to
- 2 small employer health insurance plans.
- 3 This act would take effect upon passage.

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